



Marlene H. Dortch
Office of the Secretary
Federal Communications Commission
445 12th Street SW
Washington, DC 20554

September 17, 2015

Received & Inspected

SEP 21 2015

FCC Mail Room

RE: CC Docket No. 96-128 (Payphone Compensation System Audit Report)

Dear Secretary Dortch:

PNG Telecommunications, Inc. d/b/a PowerNet Global Communications ("PNG") hereby respectfully submit the payphone compensation system audit report conducted by an independent third-party auditor for year 2015.

In accordance with 47 C.F.R. § 64.1320 (e):

Completing Carrier:

PNG Telecommunications, Inc. d/b/a
PowerNet Global Communications

**Point of Contact for Completing
Carrier's Payphone Compensation:**

Andy Starling,
Vice President of Finance

Address:

8805 Governors Hill DR, Suite 250
Cincinnati OH 45249

Phone Number:

(513) 942-7900 x.4735

**Point of Contact for Resolving Disputes
with Service Providers Over
Compensation:**

Same as Above

If you should have any further questions, please do not hesitate to contact me.

Very Truly Yours,

Jules Coffman
Corporate Paralegal
jcoffman@powermnetco.com

powernetco.com

P 800.860.9495

8805 Governor's Hill Drive, Suite 250 Cincinnati, OH 45249

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**PNG TELECOMMUNICATIONS, INC.
DBA POWERNET**

Payphone Compensation System Audit Report

July 1, 2015



CLARK SCHAEFER HACKETT
STRENGTH IN NUMBERS

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INDEPENDENT ACCOUNTANTS' REPORT

To the Board of Directors of
PNG Telecommunications, Inc.
DBA Powernet:

We have examined management's assertion, included in the accompanying "Report of Management on Compliance with the Federal Communications Commission's (the "FCC") Payphone Compensation Rules". In our report dated August 20, 2004, PNG Telecommunications, Inc. d/b/a Powernet (the "Company") had designed and developed systems and procedures to be operational on July 1, 2004 to meet the payphone call tracking system requirements set forth in Appendix C of the FCC's Report and Order 03-235 (the "Order"). As of July 1, 2015, material changes concerning the Company's compliance with the criteria of the prior year's System Audit Report, if any, have been included in this report. Management is responsible for compliance with those requirements. Our responsibility is to express an opinion on management's assertion about the Company's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Company's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination of the Company's compliance with specified requirements.

In our opinion, management's assertion that the Company complied with the aforementioned requirements as of July 1, 2015 is fairly stated, in all material respects.

The report is intended solely for the information and use of management, the Federal Communications Commission, the facilities-based carriers, the payphone compensation clearinghouse engaged by the Company, and the payphone service providers' compensated under the FCC Order and is not intended to be and should not be used by anyone other than these specified parties.

Clark, Schaefer, Hackett & Co.

Cincinnati, Ohio
September 14, 2015

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**REPORT OF MANAGEMENT ON COMPLIANCE WITH THE FEDERAL COMMUNICATIONS
COMMISSION'S PAYPHONE COMPENSATION RULES**

Management of PNG Telecommunications, Inc. d/b/a Powernet ("PNG") is responsible for complying with the requirements set forth in 47 C.F.R. § 64.1300 *et. seq.* (the "Payphone Compensation Rules").

Management has performed an evaluation of PNG's compliance with the requirements of the Payphone Compensation Rules. Based on this evaluation, the management of PNG makes the following assertions concerning PNG's compliance with the requirements of the Payphone Compensation Rules:

- (1) PNG has developed a system to identify and track coinless access code or subscriber toll-free payphone calls to completion.
 - a. All coinless access code, subscriber toll-free and non-commissioned 0+ calls originated from payphones are routed to a PNG switch in Cincinnati. The switch generates Call Detail Records ("CDR") for each call coming into the switch. CDR from the switch is received monthly via CD or portal download by PNG's Product Network Solutions ("PNS") Department.
 - b. Each coinless access code, subscriber toll-free and non-commissioned 0+ call originated from a payphone and will have a corresponding CDR generated by PNG's underlying carriers. Toll-free CDRs are pulled from the carrier raw CDR tables by running the SQL stored procedure "BCI STAGE CALLS". The following tables hold CDR from the underlying carriers for PNG's toll-free accounts:
 - Verizon – MCI Monthly 3
 - Qwest – Monthly CDR
 - Level 3 – Wiltel CDR
 - Sprint – Sprint CDR

Such CDRs are generated for both completed and incomplete calls. Each CDR will contain information describing the call including the information required by Payphone Compensation Rules. The process used for CDR storage and reporting is substantially the same as PNG uses to process CDRs and other standard reports used in its business.

- c. PNG has engaged Billing Concepts, Inc. ("BCI"), a national payphone compensation third-party clearinghouse, to assist PNG in the process of determining and paying appropriate compensation to Payphone Service Providers ("PSPs"). Within 45 days after the end of each calendar quarter, BCI will send PNG a file containing all known ANI's assigned to payphones (the "Known Payphone File"). It is the responsibility of each PSP to ensure that its ANI's are reported to BCI. BCI has received a SOC 1 report by an independent third party auditor and, according to that auditor's report, BCI's procedures for validating the accuracy of reported ANI's are in compliance with the Payphone Compensation Rules.
- d. Once the Known Payphone List is available from BCI, the previous quarter's CDR is pulled from the carrier toll-free tables by running the SQL stored procedure "CREATE_BCI_PNG_CALLS". All records in the carrier tables are compared against the ANI's in the Known Payphone File to determine if it is a payphone originated call. Once the

call has been determined to be a payphone originated call, it is considered for inclusion in the BCI Payphone Compensation File. The stored procedure then compiles the applicable payphone call detail records in the table DBO.BCI PAYPHONE STAGE.

- e. Wimactel, a PNG customer, has compensation agreements with PSPs. Wimactel has provided proper documentation of these agreements and also provide PNG with a list of toll-free ANIs that PNG should exclude. All Wimactel calls are moved out of DBO.BCI PAYPHONE STAGE table.
 - f. The underlying carrier CDRs are sent to PNG in DVD format. The DVDs are locked in the accounting file room for 5 years. Additionally, the files received by PNG and sent to BCI are retained and archived on a back-up cloud based drive.
 - g. Once the process is complete, the BCI Payphone Compensation File is uploaded to BCI's FTP site.
- (2) PNG has designated persons responsible for tracking, compensating, and resolving disputes concerning completed payphone calls or has contracted with BCI, a third-party clearinghouse to perform these procedures.
 - (3) PNG has developed data monitoring procedures to track completed payphone records from call origination through the payphone compensation process.
 - (4) PNG has established internal protocols to ensure that any software, personnel and network changes do not adversely affect PNG's ability to track payphone call records.
 - (5) PNG creates a quarterly compensable payphone call file by applying logic that matches call detail records against payphone identifiers to call data to identify and select compensable payphone records.
 - (6) PNG has developed procedures to provide a compensable payphone call file to BCI for purposes of creating the following required quarterly reports:
 - a. Completing Carrier Reports
 - (i) A list of toll-free and access numbers dialed from each of the payphone service provider's payphones and the ANI for each payphone;
 - (ii) The volume of calls for each number identified in (i) above that were completed by PNG;
 - (iii) The name, address, and phone number of the person or persons responsible for handling PNG's payphone compensation; and
 - (iv) The CIC of all facilities-based long distance carriers that routed calls to PNG, categorized according to the list of toll-free and access code numbers identified in (i) above.
 - b. Intermediate Carrier Reports – Intermediate carrier reports are not created by PNG. PNG is not an Intermediate Carrier according to 47 C.F.R. 64.1310(b) because PNG does not switch payphone calls to other facilities-based long distance carriers.

- (7) PNG has developed and implemented procedures and controls internally or through BCI to identify, respond to, and resolve disputes.
- (8) PNG has developed and implemented controls around the payphone tracking process to ensure the number of payphone records that error-out of the process are insubstantial.
- (9) PNG has developed a process and business rules that accurately identify:
 - a. Payphone originated calls – see Assertion (1) above for the criteria used by PNG for identifying payphone traffic.
 - b. Completed payphone calls that are compensable to the payphone service providers – compensable payphone calls are determined by matching the ANI list in the Known Payphone File received by BCI to the records in the carrier tables.
 - c. Payphone calls that are incomplete or otherwise non-compensable – records that do not meet the criteria stated in “b” above are identified as incomplete or non-compensable.
 - d. The PSPs to which PNG owes compensation - the identities of the PSPs are determined by the reliance on an ANI list provided by BCI. The ANI list provides the information required for identifying the PSPs for which PNG is responsible for compensating. The ANI information is the only information needed from the PSP (via BCI) in order to compensate them.

PNG Telecommunications, Inc.
d/b/a Powernet

Allison Stevens, CEO

DESIGNATED CONTACT PERSONS FOR DIAL AROUND COMPENSATION

Billing Concepts, Inc.
Payphone DAC Contact:

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PNG Telecommunications, Inc. d/b/a Powernet
Payphone DAC Contact:

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Cincinnati, OH 45249
(513) 942-7900



At Clark Schaefer Hackett, we are the sum of our individuals. Each team member's training and experience are well-suited for each client's purpose and goals. We are committed to providing insightful and customized service — from efficient compliance to sophisticated consulting — to help each client prosper today and plan for future success.

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